

SCHEDULES

SCHEDULE 3

Section 20.

VESTING OF ASSETS OF UNDERTAKINGS IN ACQUIRED COMPANIES

- 1 In this Schedule—
- “the principal section ” means section 20 of this Act;
 - “the relevant undertaking ” means, in relation to the acquired company, the undertaking carried on as mentioned in subsection (3) or, as the case may require, subsection (4) of the principal section.
- 2 (1) Subject to sub-paragraph (2) below, any question whether any particular property, rights or liabilities vests or vest in the acquired company by virtue of the principal section shall be determined by agreement between the Secretary of State and the associated privately owned company in whom the property, rights or liabilities is or are vested immediately before the date of transfer of the acquired company or, in default of such agreement, by arbitration under this Act.
- (2) In its application to any question relating to any rights or liabilities in respect of a person's services sub-paragraph (1) above shall have effect as if the person concerned were required to be a party to the agreement referred to in that sub-paragraph.
- 3 Where any rights or liabilities vested in the acquired company by virtue of the principal section are rights or liabilities under an agreement to which an associated privately owned company was a party immediately before the date of transfer, then, except in so far as the context otherwise requires, whether or not the agreement is in writing or of such a nature that rights and liabilities under it could be assigned by that privately owned company, the agreement shall have effect on and after that date as if—
- (a) for any reference (however worded and whether express or implied) to the privately owned company there were substituted, with respect to anything falling to be done on or after that date, a reference to the acquired company, and
 - (b) any reference (however worded and whether express or implied) to a person holding a particular post in the privately owned company were, with respect to anything falling to be done on or after that date, a reference to such person as the acquired company may appoint or, in default of appointment, to the person holding the most nearly equivalent post in the acquired company.
- 4 Without prejudice to the generality of paragraph 3 above, where any rights or liabilities vest in the acquired company by virtue of the principal section, the acquired company and any other person shall, as from the date of transfer, have the same rights, powers and remedies (and in particular the same rights and powers as to the taking or resisting of legal proceedings) for ascertaining, perfecting or enforcing any right or liability vested in the acquired company by virtue of the principal section as it or he would have had if that right or liability had at all times been a right or liability of the acquired company.

Status: This is the original version (as it was originally enacted).

- 5 Any legal proceedings pending on the date of transfer by or against the privately owned company concerned, in so far as they relate to any property, rights or liabilities vested in the acquired company by virtue of the principal section or to any agreement relating to any such property, rights or liabilities, shall be continued by or against the acquired company to the exclusion of the privately owned company.
- 6 Without prejudice to the provisions of paragraph 3 above, the vesting of any property, rights or liabilities in the acquired company by virtue of the principal section shall be binding on all other persons, notwithstanding that any transfer of that property or of those rights or liabilities would, apart from this sub-paragraph, have required the consent or concurrence of any other person.
- 7 Where any property, rights or liabilities which by virtue of the principal section fall to be vested in the acquired company cannot be properly so vested because transfers of that property or those rights or liabilities are governed otherwise than by the law of a part of the United Kingdom, the privately owned company concerned shall take all practicable steps for the purpose of securing that the ownership of the property is or, as the case may be, the rights or liabilities are, effectively transferred to the acquired company, but for the purposes of this Act, other than this paragraph, any such property, rights or liabilities shall continue to be treated as vested in the acquired company by virtue of that section and not by virtue of any steps taken in accordance with this paragraph.
- 8 Section 12 of the Finance Act 1895 (which requires certain Acts to be stamped as conveyances on sale) (including that section as it applies to Northern Ireland) shall not apply to a vesting of property or rights in the acquired company by the principal section ; and stamp duty shall not be payable either in Great Britain or in Northern Ireland on any instrument executed in pursuance of paragraph 7 above.